

Sent on Sept. 11, 2009

Dear SAG Hollywood Division Member:

Ken Howard, in a serious breach of confidentiality, attained and disseminated confidential SAG Pension and Health Plan information, purely for political gains, prior to its official distribution. Only SAG Pension & Health trustees and the plans' administrator and staff were privy to this highly sensitive information. Mr. Howard is not a trustee.

In Mr. Howard's email message sent out to Hollywood members on September 8th at 10:07 a.m. pst, sensitive and confidential plan adjustments, that were not yet posted on the official SAG P&H website, were released. Take 2, SAG's P&H publication, was not mailed out to SAG members until the evening of the 8th. It has been confirmed by P&H staff that the information prematurely shared by Mr. Howard to our members, had not been posted anywhere prior to the evening of September 8, 2009.

Although MembershipFirst strongly advocates the release of information in a timely fashion, we believe that vital information such as the changes in our P&H plans, must be officially released, adhering to sanctioned guidelines.

As you may have read in the Take 2 2009 Summer edition, the trustees made painful financial and benefit changes in order to adjust to the many challenges facing the Screen Actors Guild plans. As with almost every institution in this country, including AFTRA, our pension and health plans took tremendous hits based on the worst economic downturn since the Great Depression. A loss of almost \$800 MILLION DOLLARS from investments, record breaking unemployment, the 100 day Writers Strike, the severe decline in movie production based on dwindling financing, the continued surge in reality programming and the loss of pilots to AFTRA has caused the trustees to re-adjust and re-evaluate.

U4S's presidential candidate Ken Howard has implied that presidential candidate Anne-Marie Johnson, Secretary-Treasurer Connie Stevens and MembershipFirst board members are partially responsible for the critical changes in our plans due to our stance during the 2008 TV/Theatrical Negotiations. We see it differently. We were fighting hard to protect what we had and to secure revenue in areas that could generate millions for our employers. Sadly, there will be little to no contributions made to SAG's P&H generated from these revenue streams.

Although THEY are placing blame, the 2009 "smart deal" Ken Howard, Amy Aquino, Ned Vaughn and U4S delivered to our membership will have a negative impact on SAG's P&H plans:

- Loss of P&H contributions due to FREE 17/24 day exhibition windows from move-over of traditional broadcast programs to the Internet/New Media.
- Loss of P&H contributions from Original Product Made For New Media with budgets \$15K per minute or less. (NON UNION WORK)
- Loss of P&H contributions due to ZERO residuals from Original Product Made For New Media with budgets \$25K per minute or less.
- Loss of P&H contributions due to ZERO residuals for pre-1971 movies and pre-1974 television shows rerun on the Internet/New Media. And so on.

And remember, Ken Howard, Amy Aquino, Ned Vaughn and U4S enthusiastically ENDORSED this contract.

Ken Howard, Amy Aquino and U4S believe that a whole sale merger with AFTRA will solve most of our union woes, bringing SAG more leverage in 2011. No merger between SAG and AFTRA will happen prior to the contractually mandated early TV/Theatrical negotiations on Oct. 1, 2010.

Until we have successfully formed one union, representing all actor-performers and all scripted dramatic/comedic programming, SAG must protect its' jurisdiction. And unless all other AFTRA contracts, including the Net Code (i.e. Soap Operas) and all contracts covering broadcasters, disc jockys and recording artists, expire on June 30th 2011 along with our TV/Theatrical contract, those members will be obligated to continue working due to the No Strike Clause. They are completely DIFFERENT contracts.

And until we can resolve the questions and concerns regarding the combining of SAG's P&H with AFTRA's H&R, U4S's rallying cry for "MERGER" is extremely premature.

The following are examples of the differences in our respective plans: Even with the new changes in SAG's P&H Plan, SAG's Plan is different than AFTRA's. (Take note that AFTRA lowered its Plans rates well before SAG. Is MembershipFirst responsible for that TOO?)

-SAG's pension accrual rate, as of 1/2010, will be 2% of earnings with an annual earnings cap of \$225,000 per EMPLOYER. AFTRA's pension accrual rate is around 1% of earnings with an annual earnings cap of \$200,000 per MEMBER.

-SAG's new Plan I health quarterly premium will be \$249 for the member and covering all immediate family members. AFTRA's premiums start at \$330.00 per quarter for the individual member ONLY and up to \$633 per quarter for a family of four.

-SAG's early retirement penalty is 3% per year. AFTRA's early retirement penalty is 6% per year.

If there were to be blending of our respective plans there would have to be an averaging out of SAG's terms with AFTRA's terms, potentially resulting in diminished benefits for SAG participants. (SAG employee retirement accrual rate will remain at 3.5%)

Real leverage is SAG and AFTRA adhering to Phase I, jointly negotiating the 2011 TV/Theatrical Contract: speaking in one voice to protect and build on what so many have fought and sacrificed for. MembershipFirst believes this can happen. We believe MEMBERS want this to happen.

MembershipFirst and U4S agree on one major issue: SAG work should remain SAG work. When our traditional work moves over to AFTRA, SAG actors are disadvantaged. Especially in the area of P&H.

-MembershipFirst has a plan. Please go to membershipfirst.com to read and view our plans for the future.

We realize that you have been inundated with campaign email messages. There is so much information to share yet limited ways to share it. This is a defining moment for SAG members. With this election we will determine the direction and the future of our union. As National Board Candidate Martin Sheen said, "We can choose the path of

least resistance with management compliance or we can choose MembershipFirst and reunite with the spirit of those brave SAG founders and fight to regain and protect the wages, residuals and working conditions for which they fought so long and hard and gave so much to secure.”

Secretary-Treasurer Connie Stevens, the 33 board candidates on the Membershipfirst slate and Presidential candidate Anne-Marie Johnson would appreciate your support. Please VOTE.

Thank you.

Membershipfirst